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Ms. Gloria Blue
Executive Secretary
TPSC
Office of the United States Trade Representative.
600 17th Street, N.W.
Washington, D.C. 20508
Re: Inv. No. TA-201-73 (Certain Steel Products)

Dear Madam Secretary:

Enclosed please find a correction to the exclusion requests submitted November 13, 2001 on behalf of the European Steel Tube Association in the above referenced investigation. These requests were filed pursuant to the United States Trade Representative's October 26, 2001 Notice in the Federal Register (66 Fed. Reg. 54321). Please do not hesitate to contact us if you have any questions regarding this submission

Respectfully submitted,
BARNES, RICHARDSON & COLBURN

By: Matthew T. McGrath

Matthew T. McGrath
Counsel to ESTA

**BEFORE THE
TRADE POLICY STAFF COMMITTEE
OFFICE OF THE
UNITED STATES TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT**

In the Matter of Review of the Determination of)
the U.S. International Trade Commission in)
Investigation of)
Certain Steel Products)
Investigation No. TA-201-73

**EXCLUSION REQUESTS
of
THE EUROPEAN STEEL TUBE ASSOCIATION
(Correction)**

Yesterday, November 13, 2001 we filed exclusion requests in the above-entitled investigation are filed pursuant to leave granted by the Office of the United States Trade Representative (AUSTR@) set forth in the Federal Register, Vol. 66. No. 208 of October 26, 2001, on behalf of the European Steel Tube Association (AESTA@) and the steel mills that make up the national associations that are members of ESTA. In the request we stated that ESTA was requesting the exclusion of large diameter line pipe in sizes and grades and that were excluded from the antidumping case Certain Welded Large Diameter Line Pipe from Japan¹ . However, we inadvertently left out one range of products that was excluded from the dumping case. ESTA hereby corrects its exclusion requests to include the following range of

¹ See Notice of Final Determination of Sales at Less Than Fair Value: Welded Large Diameter Line Pipe from Japan, 66 Fed. Reg. 47172.

products:

Exclusion Request #9:

Product Designation/Description: Welded large diameter line pipe with an outside diameter measuring 48 inches regardless, with a wall thickness of 1.0 inches or greater, in grades X-80 and above, classified under HTSUS 7305.11.10, 7305.11.50, 7305.12.10, 7305.12.50, 7305.19.10, and 7305.19.50. This pipe is high strength with advanced properties regarding ductility and toughness. The steel is vacuum designed, calcium treated and continuous cast. The plate used in this pipe is thermomechanically rolled with accelerated cooling. This pipe has a more restricted chemistry (e.g. extreme low sulfur content). The plate surface is covered by ultrasonic testing and there are very low impurities and high cleanliness in the base material. The physical properties of these pipes allow them to be used in high pressure applications, such as deep water and sour service.

Basis for Exclusion: These products are not made by domestic manufacturers. Domestic manufacturers of welded line pipe have specifically requested that these products be excluded from the antidumping investigation into *Welded Large Diameter Line Pipe from Japan and Mexico*. In the 201 investigation counsel for domestic producers Stupp, Inc. and American Steel Pipe, petitioners in the antidumping investigation did not indicate any objection to the exclusion of these products when asked directly at the Commission's hearing². Domestic producer Berg, who was also a petitioner in the

² See Transcript of International Trade Commission Hearing, October 8, 2001, at page 785.

antidumping investigation has indicated, in direct contact with counsel for ESTA, that they do not object to the exclusion of these products in this investigation.

These larger diameter, thick walled pipes are needed because of their ability to withstand high pressure applications, such as deep water applications and sour service³ applications.

Purchasers cannot use the thinner walled, lower grade, large diameter line pipe that is produced domestically for these applications because of the risk of catastrophic failure.

The inclusion of products, not made in the United States, would exceed the minimum amount of relief necessary to prevent injury and would not serve to facilitate the adjustment of the domestic industry. It is the Administration's responsibility not to provide a remedy in which the economic and social costs of the remedy exceed the benefits or with a remedy which would have excessive adverse effects on domestic consumers and domestic competition.

Producers: There are producers of these products in Europe and Japan, including Europipe GmbH, Bergrohr GmbH, in Germany, Corus Tubes in the United Kingdom, and Nippon Steel, NKK, Kawasaki Steel Corporation, and Sumitomo Metal Industries, Ltd. in Japan. There are no U.S. producers of this product.

³ Sour service refers to service for sour gas and sour oil which is oil or gas containing free sulfur, hydrogen sulfur (H₂S), or other sulfur compounds in excess of 1 percent (for oil) or 10 grains of H₂S or 200 grains of total sulfur per 1,000 cubic feet (for gas). See *Circular Welded Carbon Quality Line Pipe*, Inv. No TA-201-70, USITC Pub. 3261 (December 1999) at page II-6.

Total U.S. Consumption:

As far as ESTA is aware there has been no U.S. consumption of this grade of line pipe to date.

However, this product may be used in the United States in the near future for the Trans Alaska Gas System.. ESTA notes that demand for these products is subject to the development of the energy sector (consumption / demand of oil, gas and power). The demand for energy in the U.S. is increasing therefore there is an increasing demand for new pipelines. Further projects may be announced and realized on a short notice basis

Total U.S. Production: None.

Substitute Products: There are currently no U.S.-produced substitute products for these products.

While U.S. producers are capable of making large diameter line pipe, none are capable of making line pipe in the diameters/thickness/grade combinations to withstand the high pressure applications that the products for which ESTA is requesting exclusions are needed for.

For the above stated reasons, ESTA requests that the Administration exclude the above products any remedy by the President.

Respectfully submitted,
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November 14, 2001

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